

HUMAN RESOURCES DEPARTMENT

BUDGET OVERVIEW

(\$ In Millions)	2005-2006	2005-2006	Over/	2007-2008	Budget to	2-yr %	1-yr %
	Budget	Estimate*	(Under)	Budget	Budget Difference	change	change
Total Budget	\$1.8	\$1.9	\$0.1	\$2.3	\$0.5	27.1%	13.5%
Total FTEs	8.00	8.00	0.00	9.63	1.63	20.4%	10.2%

* 2005-06 estimate provided by the department.

COST DRIVERS

Salaries and Benefits up \$436K

- Market and merit increases of 4.5% in 2007 and 2008. NOTE: Should not be construed as City's negotiating position.
- Medical premium increases of 13% per year.
- PERS rate increases of 132% between 2006 and 2008, as approved by the State Legislature.
- College tuition reimbursement program: increase in other compensation due to higher tuition costs (\$10,000 each year in 2007 and 2008).
- 1.625 FTEs to support labor negotiations, recruitment, training and address workload (see new programs section for more details).

Supplies up \$30K

- Inflationary increases of 2.6% and 2.5% for 2007 and 2008, respectively.
- Increase in employee training materials.

Services down \$35K

- Inflationary increases of 2.6% and 2.5% for 2007 and 2008, respectively.
- Reallocated professional services and repairs and maintenance money to salaries and benefits for new programs.

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NEW PROGRAMS

Human Resources Generalist (1.0 FTE, \$181,000)

The HR Generalist position will enable the department to pursue cost-containment initiatives in the area of healthcare management; develop effective recruitment strategies and at the same time, allow HR to continue providing high-level core services to other departments. The department has cut resources, realigned staff, leveraged technology, improved processes; streamlined service delivery, and developed regional partnerships. While these alternatives have helped, existing staff is stretched. The increased workload cannot be adequately accommodated without additional resources. To encumber them with more projects would lead to less than optimal productivity.

Increase hours for the Senior Labor and Compensation Analyst positions (0.125 FTE, \$0)

An extensive amount of effort is spent supporting the City's position in labor negotiations. The two half-time incumbents often work more hours than scheduled and have not received recognition for those hours through salary or benefits. The addition of the 2.5 hours per week will provide the hours necessary to continue to complete the workload associated with labor and compensation analysis. This increase is at no additional cost as the funding of \$18,961 will be provided by reallocating repairs and maintenance money to salary and benefits within the existing budget.

Human Resources Assistant (0.50 FTE, \$0)

The 0.50 FTE will convert the Human Resources Assistant position from a supplemental to a regular part-time position. The HR Assistant will provide administrative support for day-to-day HR operations to enable existing staff to plan and execute cost-effective programs without compromising the delivery of core services to other City departments. This increase in FTE is at no additional cost as the funding of \$52,283 will be provided by reallocating professional services and supplemental funds within the existing budget to cover salary and benefits for the requested half-time position. Human Resources staff has continued to evaluate, develop and implement programs that in the past were contracted out to costly consultants. While professional services funding has been reduced, there are still enough funds to cover the conversion of the position.

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WHAT DO WE DO?	WHY DO WE DO IT?	HOW MUCH DOES IT COST?		IS IT LEGALLY MANDATED, CORE, OR VALUE ADDED SERVICE?
		2005-2006	2007-2008	
HR POLICY ADMINISTRATION		\$170,212	\$227,237	
Develop, implement, and monitor compliance to city-wide human resources policies; monitor and maintain performance management and personnel recordkeeping systems; provide conflict resolution and performance management consultation services to managers and employees.	To ensure internal policies and practices comply with constantly changing federal, state, and local employment laws; to ensure employees are rewarded appropriately; to enhance the City’s ability to retain a competent and productive workforce.			Legally mandated and value added
EMPLOYEE AND LABOR RELATIONS		\$299,761	\$379,770	
Develop, implement and oversee the City’s relations with its six collective bargaining units and non-represented employees. Research and coordinate development of economic and non-economic bargaining proposals; staff negotiations; oversee contract administration; resolve conflicts; foster positive communication; investigate complaints.	To comply with State law that dictates many of the procedural aspects of employer-employee relations. To promote responsible, effective, and economically sound outcomes. To identify problems and resolve complaints/issues.			Legally mandated, core and value added services
BENEFITS		\$312,272	\$363,291	
Design, implement and monitor healthcare programs; includes the following: - Manage program cost - Monitor trends and legislation - Ensure legal compliance - Communicate program to employees	To ensure that healthcare programs are cost effective, understood by employees, and administered as designed.			Core and value added services

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WHAT DO WE DO?		WHY DO WE DO IT?		HOW MUCH DOES IT COST?		IS IT LEGALLY MANDATED, CORE, OR VALUE ADDED SERVICE?
				2005-06	2007-08	
COMPENSATION				\$275,762	\$354,838	
Design, implement and manage pay, performance and incentive programs; monitor market trends and legislation.	To ensure that employee pay, performance management and incentive programs are competitive, well communicated and administered in accordance with City policy.					Core services
EMPLOYMENT				\$422,811	\$498,883	
Recruit and select applicants for employment with the City of Redmond.	To ensure the City has an adequate number of highly skilled employees so it can provide products and services to its citizens.					Core and value-added services
TRAINING				\$365,450	\$455,160	
We develop and integrate employee skills and behaviors with organizational objectives.	To build a positive and productive workplace that promotes employee participation and cooperation.					Legally mandated, core and value added services
TOTAL HUMAN RESOURCES BUDGET				\$1,846,268	\$2,279,179	

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EXPENDITURE SUMMARY BY OBJECT

HUMAN RESOURCES	2005-2006 Budget	2005-2006 Estimate*	Over/ (Under)	2007-2008 Budget	Budget to Budget Difference
Salaries					
Salaries and Wages	1,120,878	1,256,494	135,616	1,409,386	288,508
Overtime	1,000	2,110	1,110	2,000	1,000
Supplemental Employees	18,253	2,598	(15,655)	19,502	1,249
Other Compensation	50,000	55,439	5,439	70,000	20,000
Subtotal Salaries	1,190,131	1,316,641	126,510	1,500,888	310,757
Benefits					
MEBT	79,562	90,196	10,634	100,117	20,555
PERS	26,419	31,368	4,949	93,839	67,420
Medical	153,109	141,973	(11,136)	187,276	34,167
Worker's Comp	4,526	3,445	(1,081)	7,226	2,700
Other Benefits	2,484	2,817	333	2,793	309
Subtotal Benefits	\$266,100	\$269,799	\$3,699	\$391,251	\$125,151
Subtotal Sal/Ben	1,456,231	1,586,440	130,209	1,892,139	435,908
Supplies					
Office/Operating Supplies	9,000	8,836	(164)	9,349	349
Repair/Maint. Supplies	12,597	5,537	(7,060)	41,454	28,857
Small Tools/Minor Equip./					
Hardware/Software	16,770	11,491	(5,279)	17,422	652
Subtotal Supplies	\$38,367	\$25,864	(\$12,503)	\$68,225	\$29,858
Professional Services					
Communications	7,000	2,957	(4,043)	4,156	(2,844)
Legal Services	93,000	137,000	44,000	130,539	37,539
Professional Services	116,145	18,512	(97,633)	108,725	(7,420)
Repairs - Outside	45,330	1,953	(43,377)	8,128	(37,202)
Telephones	4,492	1,849	(2,643)	4,666	174
Travel	3,000	8,637	5,637	9,400	6,400
Tuition	16,000	8,408	(7,592)	9,837	(6,163)
Other svcs and charges	65,385	73,489	8,104	40,243	(25,142)
Subtotal Services	\$350,352	\$252,805	(\$97,547)	\$315,694	(\$34,658)
Interfund Transfers					
Fleet Maintenance	1,318	1,318	0	3,121	1,803
Subtotal Interfund Transfers	\$1,318	\$1,318	\$0	\$3,121	\$1,803
Total	\$1,846,268	\$1,866,427	\$20,159	\$2,279,179	\$432,911

* 2005-06 estimates provided by the department.